

Settlements and Judgments

Description	FY 2004 Actual	FY 2005 Approved	FY 2006 Proposed	% Change from FY 2005
Operating Budget	\$18,889,713	\$20,270,000	\$20,655,000	1.9

The mission of the Settlements and Judgments (S&J) fund is to provide fiscal resources to settle claims and lawsuits and pay judgments in most types of civil cases filed against the District of Columbia.

In FY 2004, the D.C. Office of Risk Management (DCORM) began performing administrative oversight of the Settlements and Judgments fund. The D.C. Office of Risk Management strives to reduce the District's overall cost of risk by integrating agency programs of systematic risk identification and analysis, selecting and implementing appropriate risk control strategies and prudently financing anticipated and incurred losses into a District government integrated risk management program.

The S&J fund was created from a need to address increased litigation against the District government over the last 25 years. The fund has been a part of the District's annual appropriation for many years, formerly managed and administered by the Office of Corporation Counsel (OCC) now the Office of the Attorney General. Although the administration of the fund is the responsibility of the DCORM who makes all final decisions about use of the fund, the fund is distinct and separate from the DCORM's operating budget.

The DCORM generally assesses the potential exposure to the District government in cases and claims paid through the S&J fund by review-

ing the facts and the applicable law pertinent to such cases. A recommendation to settle or litigate a case originates with the Attorney General assigned to the case. Depending on the amount of settlement authority requested, the recommendation is reviewed and approved by several supervisors within the D. C. Office of the Attorney General (formerly OCC) and DCORM. The authority to settle a case is limited to \$500,000; for amounts greater than \$500,000, the settlement decision rests with the Mayor.

The agency plans to fulfill its mission by achieving the following strategic result goals:

- Formalize the philosophy, policies and procedures for prudent and professional financing of identified risks and incurred losses.
- Refine the capturing of core data electronically in order to enhance timeliness and quality of service delivery and response to information requests.
- Implement the DCORM core business process of Claims Management with cooperative litigation support for the Office of the Attorney General.

Funding by Source

Table ZH0-1 shows the source of funding for Settlements and Judgments.

Table ZH0-1

FY 2006 Proposed Operating Budget, by Revenue Type

(dollars in thousands)

Settlements and Judgments

Appropriated Fund	Actual FY 2003	Actual FY 2004	Approved FY 2005	Proposed FY 2006	Change from FY 2005	Percent Change
Local Fund	23,356	18,890	20,270	20,655	385	1.9
Total for General Fund	23,356	18,890	20,270	20,655	385	1.9
Federal Payments	360	0	0	0	0	0.0
Total for Federal Resources	360	0	0	0	0	0.0
Gross Funds	23,716	18,890	20,270	20,655	385	1.9

Expenditure by Comptroller Source Group

Table ZH0-2 shows the FY 2006 proposed budget for the agency at the Comptroller Source Group level (Object Class level).

Table ZH0-2

FY 2006 Proposed Operating Budget, by Comptroller Source Group

(dollars in thousands)

Comptroller Source Group	Actual FY 2003	Actual FY 2004	Approved FY 2005	Proposed FY 2006	Change from FY 2005	Percent Change
40 Other Services and Charges	23,716	18,890	20,270	20,655	385	1.9
Subtotal Nonpersonal Services (NPS)	23,716	18,890	20,270	20,655	385	1.9
Total Proposed Operating Budget	23,716	18,890	20,270	20,655	385	1.9

Gross Funds

The proposed Gross Funds budget is \$20,655,000, representing a change of \$385,000 or 1.9 percent, from the FY 2005 approved budget of \$20,270,000. There are no FTEs for the agency, which represents no change from FY 2005.

General Fund

Local Funds. The proposed Local budget is \$20,655,000, representing a change of \$385,000 or 1.9 percent from the FY 2005 approved budget. The increase is due to management awareness and efficiencies to reduce or eliminate civil

suits against the District of Columbia. There are no FTEs funded by Local sources, which represents no change from FY 2005.

Programs

The D.C. Office of Risk Management anticipates approximately 1,200 new lawsuits in FY 2006, about the same number the District handled in FY 2005. Likewise, DCORM anticipates 1,500 to 2,000 claims to be filed in FY 2006, a slight decline from the previous two years.